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DEC - 2 1991

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

UACC MIDWEST, INC., d/b/a UNITED
ARTISTS CABLE MISSISSIPPI GULF COAST,

Complainant,

v.

SOUTH CENTRAL BELL TELEPHONE COMPANY,

Respondent.

CC 95-94
File No. PA-91-0005

DOCKET FILE COPY ORIGINAL

In the Matter of

TELECABLE ASSOCIATES, INCORPORATED,

Complainant,

v.

SOUTH CENTRAL BELL TELEPHONE COMPANY,

Respondent.

File No. PA-91-0006

In the Matter of

MISSISSIPPI CABLEVISION, INC.,

Complainant,

v.

File No. PA-91-0008

SOUTH CENTRAL BELL TELEPHONE COMPANY

RECEIVED

DEC - 2 1991

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
MISSISSIPPI CABLE TELEVISION)
ASSOCIATION,)
)
Complainant,)
)
v.)
)
SOUTH CENTRAL BELL TELEPHONE COMPANY,)
)
Respondent.)

File No. PA-91-0009

DOCKET FILE COPY ORIGINAL

TO: The Common Carrier Bureau

CONSOLIDATED REPLY

Complainants UACC Midwest, Inc., d/b/a United Artists Cable Mississippi Gulf Coast; Telecable Associates, Incorporated; Mississippi Cablevision, Inc., and Mississippi Cable Television Association, hereby reply to the Responses of Respondent, South Central Bell, submitted November 11, 1991 and November 26, 1991.

Introduction

1. The Complaint identified three areas of dispute. Respondent offers a perfunctory defense of two issues and concedes the third.

Maintenance

2. As identified in Complaint ¶¶ 10-11, Respondent seeks to charge as part of its "maintenance" expenses the pole rents which it pays to power companies. In any given area in Mississippi, some pole routes are owned not by Respondent, but by

electric utilities, such as Mississippi Power & Light, Mississippi Power Co., or coops. Complainants rent space on these poles and pay rent to the power companies for that space. Respondent does the same thing, renting space on the power poles, for attachments usually one foot below cable television, and paying the power company for that space. See attached Affidavits. Of the \$7,601,487 booked in A/C 6411, \$6,532,065 is for these rents paid by South Central Bell to power companies for poles not owned by South Central Bell or leased by South Central Bell to Complainants. These rents paid by Respondent are not expenses incurred for the poles to which Complainants make attachments, although the denominator to which Respondent allocates the expenses are. There is no justification for charging Complainants for costs incurred by Respondent for which Complainants receive no service or benefit from Respondent, and for which Complainants independently pay the power companies.

3. The unfairness of forcing cable to pay twice for power poles was explained to the Commission in correspondence leading to the publication of its Part 31 to Part 32 table. See attached letter of Paul Glist. Expert staffers from the Enforcement Division of the Common Carrier Bureau (who had handled poles since 1978) and expert staffers from Accounting & Audits worked for six months on formulating the conversion table. No party challenged it after publication in FCC Record. It is apparent from Respondent's affidavit and from Respondent's course

of conduct that Respondent never even reviewed the FCC decision before formulating its rates. Respondent offers no reason to depart from the FCC decision.^{1/}

4. We have no objection to including these "rents" as a general and administrative expense allocated to total plant, as that would reflect the Part 31 accounting previously employed by the Commission. Allocating the rental expenses solely to pole investment, however, artificially inflates the expenses. For year end 1987, the last year of South Central Bell's Part 31 accounting, \$857,979 was booked to pole maintenance Account 641, for a charge of 1.975%. Complainant's calculations produce chargeable maintenance expenses of \$1,001,520, for a charge of 2.17%. By contrast, Respondent's calculations seek an expense of \$7,601,487, for a charge of 16.85%. Thus, Respondent vastly overstates maintenance expense. If the Commission were to add the rent matrix excluded from maintenance as an element of the numerator to the administrative charge,^{2/} the rate would fairly reflect Part 31 accounting, and increase to \$4.64.

^{1/} Respondent's affiant, Mr. Taylor, criticizes the Commission for publishing a correction to its Part 31 accounts in January 1989, when Part 32 accounting was in place for calendar year 1988. No Part 32 Form M's were completed or filed with the Commission until well after publication of the 1989 order. The utility rates in place at the time were to be computed against year end 1987 reports, which were the Part 31 accounts reflected in the FCC's January order.

^{2/} The same may be done for benefits.

Administration

5. Respondent seeks to charge all of A/C 6124 and 6535 to the administrative portion of the carrying charge. Account 6535 reflects engineering expenses which have been allocated by Part 32 to network operations, rather than to general and administrative. Compare 47 C.F.R. § 32.6530 with 47 C.F.R. § 32.6720. Account 6124 reflects general purpose computer expenses which have been allocated by Part 32 to general support expenses, rather than to general and administrative. Compare 47 C.F.R. § 32.6120 with 47 C.F.R. § 32.6720. Some part of these accounts may reflect expenses which were previously allocated to general and administrative under Part 31 accounting. However, there is no record of whether any such expenses exist or how much of Accounts 6535 and 6124 they comprise.

6. Respondent bases its claim to include all of A/C 6124 and 6535 solely upon the statement of Mr. Taylor, who states that he considers that "legitimate." Mr. Taylor is not stated to be an expert, advances no evidence why his opinion should be accorded any weight, and offers no support for the opinion.

7. Mr. Taylor also states that allocations are too complex to be allowed in pole rate calculations. Allocations of costs are commonplace for utilities.

Utilities already possess considerable experience in cost allocation with regard to allocations between combined electric and gas utility operations, allocations between customer classes or jurisdictions, and cost allocations among current utility operations, construction, and existing non utility activities.

Accounting For Public Utilities, § 1902 at p 19-3.

8. The Commission has made it clear that when the accounting information necessary for computations are in the control of the Respondent utility, as here, the burden is on the utility to advance the pertinent information. Report & Order in Docket 86-212, 2 F.C.C.Rcd 4387 at 4399 (1987). "Section 1.1409(a) gives us discretion . . . to make estimates when a party fails to provide information. . . . [E]ach party is responsible for submitting the appropriate data; it declines to file information at its own risk" Teleprompter of Fairmont, Inc. v. C&P Tel. Co., 85 F.C.C.2d 243 (1981); Communications Properties, Inc. v. Gen. Tel. Co. of the Southwest, 48 R.R.2d 337 (1980).

Since United Telephone has not documented its use of [the figure], and Teleprompter has used the . . . figure accepted in earlier Commission decisions in the absence of specified data or cost studies, using that estimate is both reasonable and proper.

Teleprompter of Greenwood, Inc. v. United Telephone Co. of the Carolinas, PA-79-0053, Mimeo. 001747 at ¶ 9 (June 30, 1981).

9. Under the circumstances, the most reasonable estimate under Rule 1.1409(a) is to use the total of executive and planning and general and administrative, which reflects the same intellectual grouping of accounts as was created for Part 31 pole attachment accounting. The Commission should therefore exclude all of A/C 6124 and 6535.

Cost of Capital

10. Respondent now admits that the appropriate cost of capital is as stated in the Complaint. Response ¶ 13.

Miscellaneous

11. Respondent has failed to timely respond to the Complaints in PA-91-005 and 91-006. Respondent has also failed to follow the specific staff accounting advice applicable to resolution of this dispute, even after it was brought to the attention of Respondent prior to the filing of the Complaints. Respondent has advanced no substantial basis in its Response for departure from that accounting advice. In their totality, this reflects a pattern of refusal to honor existing FCC rules and regulations, which has imposed needless costs and expenses on Complainants. Respondent should be held in default in PA-91-005 and 91-006, and summary decision entered on the rates stated therein.

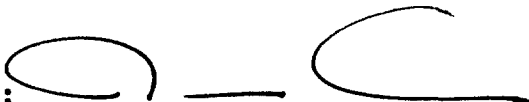
12. Respondent also denies that it was properly served in this case. Our prior submissions of November 1, 1991 and November 4, 1991 address earlier versions of this claim. Now Respondent denies that service was proper except on its registered agent. Complainants served the Complaint upon the specific South Central Bell attorney who represented herself as responsible for pole rent matters, with whom Complainants' attorney had engaged in several attempts at negotiations, and to whom Complainants' attorney explained that the breakdown in negotiations would necessitate a complaint. Under the circumstances, the denial of appropriate service is incredible.

Conclusion

The relief requested in the Complaint should be granted, and a maximum rate of \$4.54 - \$4.64 should be established by the Commission.

Respectfully submitted,

UACC MIDWEST, INC., d/b/a UNITED
ARTISTS CABLE MISSISSIPPI GULF COAST;
TELECABLE ASSOCIATES, INCORPORATED;
MISSISSIPPI CABLEVISION, INC.
MISSISSIPPI CABLE TELEVISION ASSOCIATION

By: 
Paul Glist

COLE, RAYWID & BRAVERMAN
1919 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 659-9750

Their Attorney

Dated: December 2, 1991

AFFIDAVIT

STATE OF TEXAS
COUNTY OF SMITH

)
)
)

STATEMENT OF FRED R. NICHOLS

I, Fred R. Nichols, an officer of Telecable Associates, Inc., do hereby state on oath:

1. In any given area in Mississippi, some pole routes are owned not by Respondent, but by electric utilities. In our service area, we rent space on poles owned by Mississippi Power & Light, Delta Electric Power and Twin County Electric Power Association (a Co-op), and pay rent to the power companies for that space. South Central Bell does the same, thing, renting space on the power poles, for attachments usually one foot below cable television, and paying the power company for that space. Whatever rent South Central Bell pays to power companies are for poles not owned by South Central Bell or leased by South Central Bell to our system. We rent separate space from the power companies on power pole, and pay sizeable funds to do so. Sample invoices are attached.

2. To charge us for the rent South Central Bell pays to the power company unfairly charges us twice for use of the power poles.

3. I have read the foregoing Consolidated Reply; I am familiar with the matters contained therein and know the purpose thereof; and that the facts set forth therein are true and correct to the best of my knowledge, information and belief.

Declared under penalty of perjury.



Fred R. Nichols

Dated: November 26, 1991



Mississippi Power & Light Company
308 East Pearl Street
P.O. Box 1640
Jackson, MS 39215-1640
Tel 601 969 2311

(F)

July 1, 1991

To: Telecable Assoc., Inc.

JUL 23 1991

318 Main Street

Greenville, MS 38701

Pole Attachment Rental for the Period
July 1, 1991 through December 31, 1991.

OK
K. K. K.

Location (s): Greenville ✓

3,312 @ \$ 1.75

\$ 5,796.00

Please remit within 30 days to:

Mississippi Power & Light Company
P. O. Box 898
Greenville MS 38701

Attn: Mr. Lawrence Johnson

" 3,312 poles 7/91 - 12/91 "

Account 143.816

GV-4550 (1504)

POLE RENTAL

(F)

STATEMENT

DELTA ELECTRIC POWER ASSOCIATION

P.O. BOX 935
GREENWOOD, MISSISSIPPI 38930

DATE July 1 19 91

Telecable
318 Main St.
Post Office Box 1278
Greenville, MS 38702

JUL 19 1991
OK
7/15/91
mf

DATE	DESCRIPTION OR REFERENCE	CHARGES	CREDITS	BALANCE
7-1-91	Joint Use Pole Rental July 1 - Dec. 31, 1991			
	150 Poles @\$2.75	\$412.50		
	Total Billing			\$412.50
	GV-4550			
	"150 poles 7/91-12/91"			

POLE RENTAL

(F)

INVOICE

Twin County Electric Power Association

P. O. BOX 158

REA

HOLLANDALE, MISSISSIPPI 38748

PHONE 827-2262

INVOICE N^o 5495

SOLD TO Delta Cablevision

P. O. Box 1278

Greenville, Ms. 38701

DATE November 9, 1990

DATE SHIPPED _____

OFFICE SUPPLY CO., GREENVILLE, MISS 38703

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
	Pole Rental for year 1990 on 804 poles @ \$10.75		\$8,643.00
			GV 4550
			"804 poles 1/90-12/90"
			(2455)

POLE RENTAL

AFFIDAVIT

STATE OF ALABAMA)
)
COUNTY OF JEFFERSON)

STATEMENT OF MICHAEL WOODS

I, Michael Woods, Director of legal documents for TCI Southeast, Inc., an affiliate of Complainant do hereby state on oath:

1. In any given area in Mississippi, some pole routes are owned not by Respondent, but by electric utilities. In our service area, we rent space on poles owned by Mississippi Power & Light and co-ops such as Prentiss County Electric Co-op, and pay rent to the power companies for that space. South Central Bell does the same, thing, renting space on the power poles, for attachments usually one foot below cable television, and paying the power company for that space. Whatever rent South Central Bell pays to power companies are for poles not owned by South Central Bell or leased by South Central Bell to our system. We rent separate space from the power companies on power pole, and pay sizeable funds to do so.

2. To charge us for the rent South Central Bell pays to the power company unfairly charges us twice for use of the power poles.

3. I have read the foregoing Consolidated Reply; I am familiar with the matters contained therein and know the purpose thereof; and that the facts set forth therein are true and correct to the best of my knowledge, information and belief.

Declared under penalty of perjury.

Michael Woods
Michael Woods

Dated: November 26, 1991

John M. McMicken

MY COMMISSION EXPIRES ON 12/31/91

AFFIDAVIT

STATE OF MISSISSIPPI)
)
COUNTY OF HARRISON)

STATEMENT OF JOHN HUMPHRIES

I, John Humphries, general manager of United Artists Cable MS G.C., do hereby state on oath:

1. In any given area in Mississippi, some pole routes are owned not by Respondent, but by electric utilities. In our service area, we rent space on poles owned by Mississippi Power Company, Coast Electric Power Association (a co-op) and Singing River Electric Power Association (a co-op), and pay rent to the power companies for that space. South Central Bell does the same, thing, renting space on the power poles, for attachments usually one foot below cable television, and paying the power company for that space. Whatever rent South Central Bell pays to power companies are for poles not owned by South Central Bell or leased by South Central Bell to our system. We rent separate space from the power companies on power pole, and pay sizeable funds to do so. A sample invoice is attached.

2. To charge us for the rent South Central Bell pays to the power company unfairly charges us twice for use of the power poles.

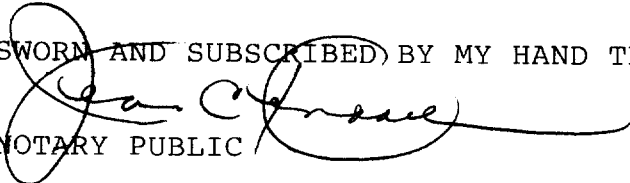
3. I have read the foregoing Consolidated Reply; I am familiar with the matters contained therein and know the purpose thereof; and that the facts set forth therein are true and correct to the best of my knowledge, information and belief.

Declared under penalty of perjury.


John Humphries

Dated: November 26, 1991

SWORN AND SUBSCRIBED BY MY HAND THIS 26 day of NOVEMBER, 1991


NOTARY PUBLIC

MY COMMISSION EXPIRES JULY 8, 1992

STATEMENT

SINGING RIVER ELECTRIC POWER ASSOCIATION
P.O. Box 767
Lucedale, MS 39452

5/31/91

RECEIVED

JUN 04 1991

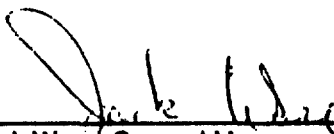
U. A. CABLESYSTEMS
BILOXI, MISS.

TO: U.A. Cable Systems of Mississippi
P. O. Box 10
Biloxi, MS 39533

Pole rental from July 1, 1991 - December 31, 1991.

<u>No. of Poles</u>	<u>Cost Per Pole</u>	<u>Amount Due</u>
4809	\$2.66	12,791.94
* 753	\$2.66	2,002.98
5,562	\$2.66	<u>14,794.92</u>

* Attachments acquired from Magnolia Cable



Jack Ware, General Manager, SREPA

Terms: 30 days

Requested/Verified: CP Date: 6-4-91
Approved By: GA Date: 6-5-91
G/L Acct: 52001-13800-01
Inv Desc: Chc Rental
Approv: 14,794.92
Disc: _____ Vendor No: 6485
Inv No: _____ Inv Date: _____
Remit Msg: _____
Entered By: _____ Date: _____ Use Tax?: _____

8576d

INVOICE NO. C-020

COAST ELECTRIC POWER ASSOCIATION
Post Office Box 2430
Bay St. Louis, MS 39521-2430

DATE: June 25, 1991

Charge To: U.A. CABLE SYSTEMS OF MISSISSIPPI

Address: 200 W. WASHINGTON LOOP

P. O. BOX 10

BILOXI, MISSISSIPPI 39533

QUANTITY	ITEM	UNIT LIST	TOTAL
<hr/>			
ADVANCE POLE RENTAL FOR 7-1-91 thru 12-31-91			
Permit # 1	55 Poles @ \$2.65		\$ 145.75
Permit # 2	15 Poles @ \$2.65		39.75
Permit # 3	53 Poles @ \$2.65		140.45
Permit # 4	2 Poles @ \$2.65		5.30
Permit # 5	37 Poles @ \$2.65		98.05
Permit # 6	18 Poles @ \$2.65		47.70
Permit # 7	126 Poles @ \$2.65		333.90
Permit # 8	22 Poles @ \$2.65		58.30
Permit # 9	41 Poles @ \$2.65		108.65
Permit #10	25 Poles @ \$2.65		66.25
Permit #11	9 Poles @ \$2.65		23.85
Permit #12	42 Poles @ \$2.65		111.30
Permit #13	21 Poles @ \$2.65		55.65
Permit #14	3 Poles @ \$2.65		7.95
Permit #15	66 Poles @ \$2.65		174.90
Permit #16	8 Poles @ \$2.65		21.20
Permit #17	4 Poles @ \$2.65		10.60
Permit #18	11 Poles @ \$2.65		29.15
Permit #19	39 Poles @ \$2.65		103.35
Permit #20	7 Poles @ \$2.65		18.55
Permit #21	102 Poles @ \$2.65		270.30

INVOICE NO. C-020

PAGE 2

U.A. CABLE SYSTEMS OF MISSISSIPPI

Permit #22	12 Poles @ \$2.65	\$ 31.80
Permit #23	5 Poles @ \$2.65	13.25
Permit #24	69 Poles @ \$2.65	182.85
Permit #25	62 Poles @ \$2.65	164.30
Permit #26	3 Poles @ \$2.65	7.95
Permit #27	4 Poles @ \$2.65	10.60
Permit #28	1 Pole @ \$2.65	2.65
Permit #29	1 Pole @ \$2.65	2.65
Permit #30	1 Pole @ \$2.65	2.65
Permit #31	4 Poles @ \$2.65	10.60
Permit #32	2 Poles @ \$2.65	5.30
Permit #33	2 Poles @ \$2.65	5.30
Permit #34	2 Poles @ \$2.65	5.30
Permit #35	2 Poles @ \$2.65	5.30
Permit #36	26 Poles @ \$2.65	68.90
Permit #37	16 Poles @ \$2.65	42.40
Permit #38	4 Poles @ \$2.65	10.60
Permit #39	4 Poles @ \$2.65	10.60
Permit #40	24 Poles @ \$2.65	63.60
	141 Poles @ \$2.65	373.65
Permit #41	1 Pole @ \$2.65	2.65
Permit #42	- 1 Pole @ \$2.65	- 2.65
Permit #43	2 Poles @ \$2.65	5.30
Permit #44	19 Poles @ \$2.65	50.35
Permit #45	5 Poles @ \$2.65	13.25
Permit #46	515 Poles @ \$2.65	1,364.75
Permit #47	4 Poles @ \$2.65	10.60
Permit #48	- 4 Poles @ \$2.65	- 10.60
Permit #49	2 Poles @ \$2.65	5.30
Permit #50	3 Poles @ \$2.65	7.95
Permit #51	7 Poles @ \$2.65	18.55
Permit #52	5 Poles @ \$2.65	13.25
Permit #53	201 Poles @ \$2.65	532.65
Permit #54	1 Pole @ \$2.65	2.65
Permit #55	3 Poles @ \$2.65	7.95
Permit #56	16 Poles @ \$2.65	42.40
Permit #57	2 Poles @ \$2.65	5.30
Permit #58	38 Poles @ \$2.65	100.70
Permit #59	POLE CHANGE OUT	----
Permit #60	112 Poles @ \$2.65	296.80
Permit #61	31 Poles @ \$2.65	82.15
Permit #62	1 Pole @ \$2.65	2.65
Permit #63	2 Poles @ \$2.65	5.30
Permit #64	2 Poles @ \$2.65	5.30
Permit #65	3 Poles @ \$2.65	7.95
Permit #66	4 Poles @ \$2.65	10.60
Permit #67	2 Poles @ \$2.65	5.30
Permit #68	3 Poles @ \$2.65	7.95

Phys. Pole Ct. 6-19-81

INVOICE NO. C-020

PAGE 3

U.A. CABLE SYSTEMS OF MISSISSIPPI

Permit #69	3 Poles @ \$2.65	\$ 7.95
Permit #70	3 Poles @ \$2.65	7.95
Permit #71	1 Pole @ \$2.65	2.65
Permit #72	194 Poles @ \$2.65	514.10
Permit #73	17 Poles @ \$2.65	45.05
Permit #74	44 Poles @ \$2.65	116.60
Permit #75	170 Poles @ \$2.65	450.50
Permit #76	15 Poles @ \$2.65	39.75
Permit #77	6 Poles @ \$2.65	15.90
Permit #78	8 Poles @ \$2.65	21.20
Permit #79	2 Poles @ \$2.65	5.30
Permit #80	187 Poles @ \$2.65	495.55
Permit #81	1 Pole @ \$2.65	2.65
Permit #82	2 Poles @ \$2.65	5.30
Permit #83	1 Pole @ \$2.65	2.65
Permit #84	POLE CHANGE OUT	----
Permit #85*	2 Poles @ \$2.65	5.30
Permit #86	- 3 Poles @ \$2.65	- 7.95
Permit #87	1 Pole @ \$2.65	2.65
Permit #88	5 Poles @ \$2.65	13.25
Permit #89	16 Poles @ \$2.65	42.40
Permit #90	112 Poles @ \$2.65	296.80
Permit #91	8 Poles @ \$2.65	21.20
Permit #92	2 Poles @ \$2.65	5.30
Permit #93	1 Pole @ \$2.65	2.65
Permit #94	27 Poles @ \$2.65	71.55
Permit #95	3 Poles @ \$2.65	7.95
Permit #96	4 Poles @ \$2.65	10.60
Permit #97	10 Poles @ \$2.65	26.50
Permit #98	5 Poles @ \$2.65	13.25
	337 Poles @ \$2.65 Phys. Pole Ct. 5/9/91	893.05
Permit #99	117 Poles @ \$2.65	310.05
Permit #100	19 Poles @ \$2.65	50.35

ONE INSPECTION BY OUR ENGINEER

35.00


TOTAL POLES 3390

TOTAL \$9,018.50
=====

Payment Received _____, 19__

COAST ELECTRIC POWER ASSOCIATION

By _____

By 
P. H. Platz
Manager of Engineering & Ops.

Mississippi Power Company

2992 W. BEACH
GULFPORT, MS 39501

1122821000181

U A CABLE SYSTEMS
P. O. BOX 10
BILOXI, MS 39533

Remit to:
Mississippi Power Company
2992 W. BEACH
GULFPORT, MS 39501

Delinquent After

When paying by mail
please check the proper

418.56
Total Net Due

CY

ACCOUNT NUMBER		CY	RATE	RATE RIDER	SERVICE PERIOD FROM	TO												
KILOWATT HOUR METER <table border="1"> <tr> <th>METER NUMBER</th> <th>B/C</th> <th>METER READING PRESENT</th> <th>PREVIOUS</th> <th>CONSTANT</th> <th>KILOWATT HOURS</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>							METER NUMBER	B/C	METER READING PRESENT	PREVIOUS	CONSTANT	KILOWATT HOURS						
METER NUMBER	B/C	METER READING PRESENT	PREVIOUS	CONSTANT	KILOWATT HOURS													
CAPACITY METER <table border="1"> <tr> <th>METER NUMBER</th> <th>B/C</th> <th>READING</th> <th>CONSTANT</th> <th>KW/KVA THIS MONTH</th> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>							METER NUMBER	B/C	READING	CONSTANT	KW/KVA THIS MONTH							
METER NUMBER	B/C	READING	CONSTANT	KW/KVA THIS MONTH														
MAX CAPACITY REQ As Determined By Rate Schedule		BILLING KW/KVA		DELINQUENT AFTER														
MONTH	MAX CAPACITY																	

Mississippi Power Company

DETAIL BILLING

POLE ATTACHMENTS 218

AMOUNT

RECEIVED

JUN 04 1991

U. A. CABLESYSTEMS
BILOXI, MISS.

418.56

- 1 ESTIMATED
- 2 PRORATED
- 3 METER CHANGE
- 4 ACTUAL KW KVA

BILLING KW/KVA CODES
5 BASED ON PREVIOUS
HIGH KW KVA AS
REQUIRED BY RATE
SCHEDULE

- 6 CONTRACT KW/KVA
- 7 RATE MIN KW/KVA

KEEP THIS PORTION FOR YOUR RECORD.

**TOTAL NET
AMOUNT DUE**

Requested/Verified: Date: 6-5-91
 Approved By: Date: 6-5-91
 GL Acct: 53201-13800-01-01
 Inv Date: 6-5-91
 Appr: Date: 6-5-91
 Disc:
 Inv: Vendor No: 4859
 Inv Date:
 Remit No:
 Entered By: Date: Use Tax:

U. A. Cable Systems
P. O. Box 4070
Biloxi, Mississippi 39533
Phone (601) 661-1211

RECEIVED

DEC 12 1990

U. A. CABLE SYSTEMS Biloxi, Mississippi Power
Biloxi, MISS.



December 7, 1990

U. A. Cable Systems
P. O. Box 10
Biloxi, Mississippi 39533

RE: 1121-821-0001-9-1
1122-821-0001-8-1

We have recently recalculated our pole attachment rate in accordance with the latest FCC rulings. The calculations indicate an annual rate of \$3.84 per pole per year. This will begin January 1, 1991 and will be reflected in your June, 1991 bill. In the latter part of 1991, we will again calculate the rate and make any necessary adjustments at that time. For the purposes of planning for 1992, you may assume a rate between \$4.10 and \$4.30 per pole attachment per year. Unfortunately, I cannot give you an exact figure for 1992 until we compile our records for year ending 1991 and recalculate the rate.

If you have any questions regarding your rate, please call me in Gulfport at 601-865-5951.

Sincerely,

Louis H. Occhi
Senior Engineer

LHO/ewh

3.84
- 3.27

+ .57 = 17%

17% increase!

COLE, RAYWID & BRAVERMAN

JOHN P. COLE, JR.
ALAN RAYWID
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BY HAND

Kenneth P. Moran
Chief
Accounting and Audits Division
Federal Communications Commission
2000 L Street, N.W.
Washington, D.C.

Dear Mr. Moran:

This letter requests your advice concerning certain Part 32 accounts and their relationship to prior Part 31 accounting.

Under the rules adopted by the Commission in CC Docket 86-212, the rates which cable television operators pay for rental of telephone utility poles are determined with reference to carrying costs computed under old Part 31 accounts. The pertinent accounts were identified in Report and Order in CC Docket 86-212, 2 F.C.C. Rcd. 4387, 4404 (1988), recon. denied, 4 F.C.C. Rcd. 468 (1989). The conversion of certain of those accounts to Part 32 appears relatively straightforward, as shown on Schedule A. However, we wish to confirm our understanding of the Schedule A conversion, and of certain other accounting matters necessary for making the complete bridge to Part 32.

Account 6411. Pole maintenance expenses were previously reported in Part 31 account 602.1 Repairs of Pole Lines. We understand that these expenses are presently accounted for in Part 32 Account 6411. However, column (ae) of the 6411 matrix adds "rent," which we believe are rents paid by the telephone company to another utility (such as an electric utility) for rental of that utility's poles. As the cable industry pays rental directly to power companies for rental of

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space on power poles, it has an interest in assuring against paying twice for the same pole. Under Part 31, these rental expenses were included in Account 671; but they were charged to cable only in proportion to total plant, and so were immaterial. It is our understanding that if one wishes to isolate the expenses a telephone utility incurs in relation to its owned poles, one would look to depreciation (as we do in Schedule A) and to Account 6411 column (ac), (ad) and (af). Please confirm this understanding.

Account 6124, 6724. Part 31 did not "recognize" the existence of computers, and so computer expenses found their home in various accounts. Under Part 32, computer expenses attributable to general administration are identified in Account 6724 Information Management. More plant specific computer expenses are included in Account 6124. It is our understanding that if one wishes to isolate the computing expenses a telephone utility incurs in general corporate overhead, one would look to Account 6724 only. Please confirm our understanding.

Account 6535, 6711. Part 31 may have permitted the placement of high-level engineering expenses, such as those incurred by management with broad responsibilities, in Account 661. Part 32 permits similar accounting in Account 6711. Part 32 collects general engineering expenses in Account 6535. However, the bulk of those expenses were not previously booked in Accounts 661-677. Pole specific engineering expenses were booked in Part 31 Account 602.1 and are now booked in Part 32 Account 6411. It is our understanding that if one wishes to "bridge" prior Part 31 Accounts 661-677 to Part 32, one would exclude Account 6535. Please confirm our understanding.

Accounts 6611-6623. Under Part 31 general commercial expenses such as advertising, sales, and customer service were booked in Accounts 640-650, rather than Accounts 661-677. In general terms, these expenses are now recorded in Accounts 6611-6623. It is our understanding that if one wishes to "bridge" from Part 31 Accounts 661-677 to Part 32, one would exclude Accounts 6611-6623. Please confirm our understanding.

Account 6722. Under Part 31, general legal costs for regulatory proceedings were recorded in Account 664. Under Part 32, these are recorded in Account 6725, but there may be some overlap in Account 6722. It is our understanding that some of the expenses now booked in Account 6722 were previously in Account 664 or others in the 661-677 series; but that more expenses are now included in Part 32 Account 6722 because of the elimination of certain customer accounts. Please advise us of the approximate proportion of the expenses now reflected in Account 6722 which was previously included in Accounts 661-677.